

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Competitive Product Prices
Priority Mail Express & Priority Mail Contract 10
(MC2012-54)
Negotiated Service Agreement

Docket No. CP2012-66

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued December 2, 2014)

In its order adding Priority Express Mail & Priority Mail Contract 10 to the competitive product list, the Commission stated that it would review the contract's financial performance for consistency with section 3633(a) as part of its 2013 Annual Compliance Determination.¹ However, because no mail was shipped under the contract during FY 2013, the Postal Service was unable to provide any revenue, volume, weight and attributable costs data for the contract in its FY 2013 Annual Compliance Report.²

The original financial workpapers filed in Docket CP2012-66, in the file 'EM_Analysis.public.xlsx' contains a worksheet titled 'PartnerProfile' with columns labeled 'Volume(Annualized Number of Pieces)', and 'Avg. Weight' as well as other worksheets titled 'Rate A', 'Rate B', and 'Rate C' showing rates for years 2010, 2011, and 2012, respectively. In addition, the contract terms have a volume requirement (See 'I.Terms' Section C.) in Attachment B.

Changing circumstances for volume, rates and average weight could affect the contract's projected financial performance. Therefore, in order to determine whether the

¹ Docket Nos. MC2012-54 and CP2012-66, Order Adding Express Mail & Priority Mail Contract 10 to the Competitive Product List, October 11, 2012, at 4 (Order No. 1499).

² See Docket No. ACR2013, Responses of the United States Postal Service to Questions 1-3.b, 4-5, and 7-12 of Chairman's Information Request No. 5, February 11, 2014, question 12.

contract's initial supporting financial documentation remains applicable, the Postal Service is requested to file updated financial workpapers demonstrating that the contract is projected to cover costs in FY 2014. Those workpapers should be provided no later than December 5, 2014.

By the Chairman.

Ruth Y. Goldway